HUD newsletter

U.S. Department of Housing and Urban Development
Washington, D.C. 20410 (202) 755-5499

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Current Trends

President-elect Carter has announced that he will nominate Mrs. Patricia Roberts Harris to be the Secretary of *HUD*, subject to *Senate* confirmation. Mrs. Harris is a Washington, D.C. lawyer, and former ambassador to Luxembourg.

The results of ***HUD's*** December 1 opinion survey on mortgage market conditions has been issued. Nationally... the average secondary market price for immediate delivery of ***HUD/FHA***-insured new-home mortgages with 30-year terms and minimum downpayments increased 7/10 of a point to $96.4 per $100 of outstanding loan amount. The equivalent gross yield to investors at this price was 8.45 percent... down 10 basis points from a month earlier. The national average interest rate contracted to be paid by the borrowers on conventional first mortgages dropped five basis points to 8.95 percent for new-home transactions while the national rate for existing-home contracts remained at the month earlier level of 9.00 percent.

New construction contracts in November rose 37 percent above the November 1975 level... to $7.69 billion... compared to $5.62 billion a year earlier... according to *F.W. Dodge Division of McGraw-Hill.* Of particular importance was a 50 percent rise in residential construction over November 1975... mainly in multifamily activity. Nonresidential contracts rose 36 percent.

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30 Major Disaster Declarations Made by President in 1976

Last year's extremes in weather... from floods to droughts... resulted in President Ford's declarations of 30 major disasters and eight emergencies which cost $420.4 million ... according to a year-end report by *HUD's Federal Disaster Assistance Administration (FDAA).*

A total of 53,820 disaster-affected families received advice and assistance at Disaster Assistance Centers operated during 1976 by ***FDAA***, which is responsible for the direction, management, and coordination of the *Federal Disaster Relief Program*... including administration of the *President's Disaster Relief Fund.*

FDAA Administrator Thomas P. Dunne said that nearly half of the disaster stricken families were victims of spring typhoons in **Guam, the Northern Marianas, and the Trust Territory of the Pacific Islands.** He said typhoon assistance from Federal agencies exceeded $85 million.

Mr. Dunne also noted that 4,393 families sought Federal aid after hurricanes hit **New Jersey, New York,** and **California** in the fall... requiring $43 million in aid from all Federal agencies.

The largest loss of life from a natural disaster during the year resulted when a flash flood hit **Colorado's Big Thompson Canyon** on August 1... causing 139 deaths and about $36 million damage.

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The year's most expensive disaster was caused by the failure of the **Teton Dam** in **Idaho** on June 5. Federal agencies provided $124 million in disaster assistance.

Of the 30 major disaster declarations by the President... 27 involved floods or flooding accompanying typhoons, hurricanes, tornadoes, or other storms. The remaining three disasters involved tornadoes and winter storms. By contrast... of the eight Presidential emergency declarations in 1976... seven involved drought and only one flood.

A total of $420.4 million was expended or obligated for major disasters during the year by all Federal agencies... with $213.8 million of that amount coming through ***FDAA*** from the *President's Disaster Relief Fund.*

Of the $213.8 million from the *President's Fund*... $18.7 million was for temporary housing assistance provided through the States or ***HUD;*** $3.2 million for disaster unemployment assistance administered by the States and the ***Department of Labor;*** $14 million for the Federal portion of the individual and family grants administered by the States; and $177.9 million for grants to local or State governments for debris removal and for the repair or restoration of public facilities such as streets, roads, bridges, public buildings, and certain private nonprofit facilities.

Preliminary cost figures from some 20 Federal agencies charged with disaster recovery tasks under the coordination of ***FDAA*** include the following program costs for the declared major disasters in 1976:

- ***Small Business Administration,*** 6,682 loans for dwellings and personal property, and 941 loans for businesses: $131.5 million.
- ***Farmers Home Administration,*** 700 loans: $10.3 million.
- ***Department of Agriculture,*** $5.5 million for food stamps and $13.6 for emergency farm programs from ***Agricultural Stabilization and Conservation Service:*** $19.1 million.
- ***Department of Health, Education, and Welfare,*** for repair and restoration of public schools: $1.2 million.
- ***Army Corps of Engineers,*** for flood preparedness, flood fighting, rescue operations, and repair and restoration of flood control works: $9.6 million.
- ***Federal Highway Administration*** of the ***Department of Transportation,*** for repair of Federal aid system roads, bridges, and appurtenant structures: $30.9 million.

Voluntary organizations working under the coordination of ***FDAA*** provided food, clothing, and other humanitarian services to people affected by disasters. These organizations included the ***American National Red Cross, Salvation Army, Mennonite Disaster Service,*** and the ***Seventh Day Adventist Community Services.*** In addition... the ***Young Lawyers Section of the American Bar Association*** offered legal advice to disaster victims, and advice on insurance was provided by the ***American Insurance Administration.***

(An 'emergency' may be declared for the same cause as a major disaster, except that specialized Federal assistance is made available to save lives and protect property, public health and safety, or to avert or lessen the threat of a major disaster.) Emergency declarations by the President during the year were for flooding in **North Dakota**, for which a major disaster was later declared, and drought in **Arkansas, Minnesota, Missouri, North Dakota, South Dakota, Wisconsin,** and **Virginia.** To date... total obligations from the *President's Fund* for the drought are $10.3 million... while other Federal agencies have made loans or grants totaling $205.4 million.

The ***FDAA*** also approved seven *Fire Suppression Grants* totaling $1.5 million to help fight forest fires in **Minnesota** that were due in part to drought.

Also from the *President's Fund* during 1976... ***FDAA*** obligated $880,000 as grants for States to develop and improve existing plans, develop programs and capabilities for disaster preparedness and prevention.

Special Rehab Wages Agreed On

***HUD* has announced that New York City and Atlanta have been selected as demonstration sites to test a special labor-management agreement under which low-income rental housing would be rehabilitated with revised wage rates and work rules.**

Participation in the program means that the cities will be allocated funds for rental housing assistance above their present allocations.

Both cities indicated that high- and low-rise rental units for lower income tenants would be rehabilitated with at least a 25 percent reduction in wages.

Additional cost savings estimated at 15 percent are expected to result from the *Statement of Principles and Objective for Housing Rehabilitation* signed by seven building and construction unions and the ***National Housing Rehabilitation Association*** last February.

Atlanta will receive *Section 8 Rental Assistance* for 920 units. **New York City** will receive assistance for 2,500 units.

The two cities have designated target neighborhoods to receive this assistance and have outlined plans to use other funds to support this program. Home repair loan and grant programs, park improvements, and various social services programs are among the activities proposed to lead to the revitalization and long-term viability of the target neighborhoods.

More than 50 localities applied for a share of the $50 million in annual rental assistance set aside for the program. Of the applicants... only Atlanta and New York City met all of the submission requirements... including the projection of a substantial savings in the cost of rehabilitation resulting from revised wage rates and work rules. A total of $19 million will be allocated to the two cities.

A second notice has been published in the *Federal Register* to allow previous applicants to modify their applications and to permit other localities to submit applications.

Final selections for the remaining $31 million will be made in the near future.

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Multiunit Structures Increase

About 28 percent of the housing units built since 1970 were located in structures with five or more units, almost double the proportion (15 percent) located in similar structures in the total housing inventory. These figures are contained in the *1974 Annual Housing Survey,* conducted for ***HUD*** by the ***Census Bureau.***

Compared to the total housing inventory... the proportion of mobile homes is higher among units built since 1970... and the proportion of conventional single-family homes is lower.

The *Annual Housing Survey*... started in 1973... is designed to provide current information on housing conditions and trends. Previously, detailed data was only available every 10 years from the *Decennial Censuses of Population and Housing.*

The report contains a wide variety of data on the Nation's housing inventory as of 1974... including characteristics of owner and renter households, value of owner-occupied homes, rent paid, and characteristics of metropolitan, and non-metropolitan housing.

Copies of the report, *Part A, General Housing Characteristics, Series H-150-74A,* are available for $4.35 from the *Superintendent of Documents,* Washington, D.C. 20402.

Disaster Guidebook Published

A guidebook to help local officials find temporary housing for disaster victims has been published by *HUD*.

When a disaster strikes and homeless families cannot be sheltered in undamaged existing structures. . . the usual practice is to lend them mobile homes. If these cannot be placed at the site of the damage. . . they are assembled in temporary mobile home parks.

Site Selection and Design for Disaster Housing Group Sites is the first part of a two-volume study designed to help local governments install groups of mobile homes or comparable quarters for disaster victims on properly prepared sites with all the necessary amenities.

Check lists for site selection, physical site features, and requirements for utilities are all included in reproducible form. Layout diagrams of the site and of mobile home groupings are offered, along with space requirements, utility plans, access road designs, suggested densities, and a check list of recommended and optional amenities for the mobile home parks.

The technical or second volume reviews legislation and regulations for temporary housing sites, analyzes existing criteria for selecting and developing group sites, and offers recommendations for managing and maintaining the housing.

Factors involved in selecting portable utility systems are discussed and the characteristics and costs of various types of systems are documented.

Copies of both volumes may be ordered from the *Superintendent of Documents*, Washington, D.C. 20402. Price $6.45. Stock No. 023-000-00361-9.

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